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handicraft workers and artisans are included, the number engaged in some form of manufacturing may approach or perhaps even exceed 100,000.

The textile industry, including spinning, weaving, knitting, dyeing and finishing, and the manufacture of garments, is the most developed. It probably employs close to 20,000 people in more or less mechanical establishments and it was able, in 1953, to export goods to a value of about £S 25 million. Among other important industries are flour milling, the extraction of vegetable oils and making of soap, tanning, sugar refining, canning and preserving, and the manufacture of cement, glass, tobacco and matches. The production of utensils, implements, furniture and shoes, although on a considerable scale, is almost completely in the handicraft stage.

Commerce

Commerce has always been one of the most profitable occupations in Syria. It has furnished much of the capital for the development of industry and even of agriculture. Aleppo and Damascus are the principal commercial centers of the country, the former being the more important. It handles most of Syria's exports, which emanate largely from the northern part of the country, and with the development of the port of Latakia it is also increasing its share of the import trade.

Foreign commerce is quite important in total trade. Over the three-year period 1951-53 the value of imports has averaged close to 30% of probable national income and exports about 22%. Exports have risen rather steadily in total value, and imports somewhat more slowly. Separate foreign trade figures for Syria have been available only since March 1950, when the economic union with Lebanon was terminated in order to give Syria more freedom in protecting its domestic manufacturing industry. Foreign trade has developed as follows (in millions of Syrian pounds):

Year	Customs figures			Adjusted figures		
	Exports	Imports	Balance	Exports	Imports	Balance
1951	277	304	−27	292	418	−126
1952	320	313	+7	337	444	−117
1953	376	307	+69	408	484	−76

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persed testifies to the appeal which industrial investment has made to a growing number of people.

The textile industry has taken the most prominent place in Syria's industrial development. There are 90,000 to 100,000 spindles working on cotton and rayon and well over 5,000 mechanical looms. In cotton cloth Syria is approaching self-sufficiency and in rayon cloth it has already achieved a net export surplus. The woolen industry, dependent on imports of raw wool or yarn, is much less developed. In dyeing and printing, modernization is well under way. Along with the production of yarn and cloth, the output of garments has considerably expanded. Knitted goods, underwear, socks and stockings are now produced on a sufficient scale to permit exports.

The vegetable oil industry and the manufacture of soap have grown substantially in the postwar period, particularly as the increase in cotton cultivation supplied more raw materials. The food canning industry was expanded, and a factory was established to produce refined sugar from domestic beet and imported raw sugar. A second cement plant was installed; the two together expect to reach an annual production capacity of 400,000 tons by 1955. The postwar period also witnessed the establishment of a number of modern flour mills, a glass factory, a metal container plant and factories producing, among other commodities, rubber boots, matches, and beverages.

Present Stage of Development

Since manufacturing is a field for private enterprise in Syria, the mission has concerned itself not with individual projects, but rather with government policies which guide and stimulate private industrial investment. These policies must, of course, be devised in the light of the current stage of industrial development and of the problems which industry faces.

In this connection it should be noted, first of all, that there have been no conspicuous cases of misdirected investment in industry. The glass plant was undoubtedly conceived on too ambitious a scale, and the government participated with private capital in an abortive venture to manufacture certain types of machinery and spare parts. By and large, however, investment has been in fields where Syria should in the long run be able to achieve efficient production capable of withstanding foreign competition. In the main, Syrian industry falls, with some overlapping, in the

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433 is still responsible for an important part of, and in some instances for the entire, production. Yet the use of power-driven machines is steadily growing and it is not unusual to find an expensive modern machine in a workshop with only five or six employees. This development will probably be accelerated as more and cheaper electrical power becomes available, but it is equally likely that some Syrian industry, although to a steadily decreasing extent, will remain in the handicraft stage for many years to come. This applies particularly to village industries (dairy products, dried fruits, rugs, etc.), which employ a considerable percentage of those who gain a living from some industrial occupation.[1]

Cotton Ginning

248 Ginning is a relatively new industry which sprang up after local cotton cultivation became prominent, and by 1953 was employing about 4,000 workers. The sharp rise in cotton production after World War II led to a rapid expansion of ginning capacity and, in 1950, to the introduction of some saw gins. There are now over 100 establishments, mostly in Aleppo, which concentrate on cotton ginning during the season commencing in September and ending in April or May.

According to the latest available estimates Syria has a total of about 1,750 roller gins and 64 saw gins with a lint capacity of 45-48 metric tons per hour. A report issued in September 1953 states that of the 1952-53 cotton crop of 176,000 tons of raw cotton, over 90% was roller-ginned and that saw gins were only used in the lower grades. Up to 10,000 tons of ginned cotton were used in Syrian textile mills; the remainder (about 50,000 tons) was exported.

The importation of cotton ginning machinery was prohibited by law in 1952; it is generally agreed that present ginning capacity is sufficient to deal with any anticipated increase in the crop for some time to come.

Textiles

288 *Spinning and weaving.* The manufacture of textiles is Syria's principal industry. Six spinning and weaving factories now produce cotton and

[1] According to a study dated February 24, 1954 by Dr. Abdel Monthleb Boukari, "L'Artisanat Rural Traditionnel," 18% of the Syrian population is engaged in some kind of manufacturing industry of which 9.8% is in town industries and 8.2% in village industries. The mission was not in a position to check these figures.

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rayon yarn and cloth, two in Damascus and four in Aleppo, employing nearly 6,000 workers. Between 90,000 and 100,000 spindles producing cotton and rayon yarn and about 1,400 mechanical looms are in operation in these factories or were in the process of being installed at the time of the mission's visit; it has been estimated that in 1953 between 15-20% of the total number of spindles was engaged in the spinning of rayon. The total yarn production in that year was about 8,000 tons, of which 6,000 was cotton yarn. The factories are well built and most of the machinery is less than 10 years old. The older or less efficient machinery is being replaced and there is a gradual conversion to fully automatic looms.

Syrian cotton has now largely replaced imported raw material; on the other hand, imports of fiber and yarn for making rayon cloth and knitted garments have increased considerably during the past two years. Imports of fiber rose from 1,300 tons in 1951 to nearly 3,000 in 1953. Imports of rayon yarn increased during the same period from 4,160 tons to 6,572 tons. Practically all the cotton yarn produced in Syria is used locally. About 400 tons of cotton cloth, 400 tons of rayon yarn and 1,800 tons of silk and artificial silk cloth were exported in 1953.

Three factories are engaged in the spinning (one in Aleppo with about 3,000 spindles) or weaving (two in Damascus with a total of 38 looms) of woolen yarns and woolen and worsted cloth. While some of the machinery is old, it is in good condition and the buildings are well constructed. In 1953 about 160 workers were employed in these factories. Although Syria exports considerable quantities of raw wool, its modern wool manufacturing industry is based entirely on imported materials.

Four small factories in Damascus produce silk and rayon brocades and brocades with metallic threads on mechanical looms. Brocades are also woven on an unknown number of hand looms.

In addition, there are probably over 700 smaller enterprises in various parts of the country (Aleppo, Damascus and Homs being the main centers) engaged in the manufacture of cotton, rayon or woolen cloth on mechanical looms. In total they have roughly 3,800 looms and about 9,000 workers are employed.

A large number of hand looms are still used for weaving cotton, rayon, woolen and hair cloth. Although declining in importance, there are probably still over 6,000 hand looms and about 10,000 workers engaged, part or whole time, in their operation.

The total production of woven silk, cotton and rayon cloth is probably

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about 14,000-16,000 tons. An estimated 14,000 workers are employed in the mechanical section, making the total, including the hand loom workers, 29,000.

Knitted garments, underwear, socks and stockings. This section of the textile trade has developed considerably in recent years. There are 264 enterprises engaged in the production of knitted garments. Some have only two or three machines; the larger factories are on the whole well built and designed for efficient production with the latest British, American and German machines. The use of rayon rather than cotton or woolen yarn has increased considerably, and they make use of substantial quantities of the imported rayon fiber and yarn. Three of the larger stocking factories concentrate on production of nylon stockings. About 2,500 workers are estimated to be employed in all the sections of the knitting industry, located mainly in the Damascus area. This part of Syria's textile industry is of rapidly growing importance from the point of view of exports.

Textile dyeing, printing and finishing. Many of the textile factories bleach or dye yarn or cloth on their own premises. There are also a number of firms engaged in bleaching, dyeing, finishing and block printing. These are situated mainly in Aleppo and employ a total of about 250 workers. In addition, there are many small enterprises throughout the country which bleach and dye yarn and cloth by traditional handicraft methods and for which no statistics are available.

A large dyeing and printing works, established at Homs in 1946, and unique in Syria, prints textiles by rotary machinery as well as by the block process. When the installation of additional machinery is completed the firm will employ about 400 workers on a three-shift basis.

Table 2 summarizes the scope of the textile industry.

Vegetable Oils

Syria has produced vegetable oil for many centuries, mainly from olives, and the traditional methods of crushing and pressing are still to be seen in some areas. The development of mechanical seed crushing and oil extraction in large factories began in Syria in 1945. About 70% of the output is now derived from cottonseed.

There are now seven large factories equipped in total with 48 Rosedown Maxoil expellers and six "French type" expellers to process the

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domestic and imported raw material; four of these also have spirit extraction plants. In addition, there are 10 smaller factories with expellers, hydraulic presses or small spirit extraction plants. Most of the factories are situated in Aleppo, Damascus, Homs and Latakia.

During 1950-53 the average annual volume of cotton seed available for crushing, deducting export and sowing requirements, was about 68,000

TABLE 2 The Textile Industry

Type of enterprise	Number	Capital invested where known (million £S)	Spindles	Looms	Knitting machines	Estimated number of workers
Cotton and rayon spinning and weaving factories . .	6	32.7	90,000	1,400	—	6,000
Woolen spinning and weaving factories	3	2.3	900	40	—	160
Mechanical brocade-weaving factories	3	1.5	—	50	—	140
Small enterprises using mechanical looms	788	3.0	108	3,800	—	8,000
Small enterprises using hand looms	n.a.	n.a.	n.a.	6,000	—	10,000
Knitting industry	264	9.2	—	—	1,630	2,500
Textile printing and mechanical dyeing and finishing	15	6.5	—	—	—	650
Total	1,079	55.2	91,008	11,290	1,630	28,450

NOTE: Figures in some cases approximate estimates.

tons compared to 10,000 tons in 1947. Probably about 8,000 tons of refined cottonseed oil are now produced annually. This, added to oils from other seeds and nuts, imported[2] and indigenous, indicates a total annual production of about 10,000 tons of vegetable oil (exclusive of olive oil). When the additional equipment now in the process of being installed is in production, the total capacity of the factories will be in the region of 20,000 tons per annum.

Syria exported about 1,200 tons of cotton seed oil in 1953, 24,300 tons of oil cake and other residue from vegetable oil extraction, the highest

[2] Limited amounts of copra and palm seeds are imported.

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433 exports to Lebanon and Jordan, where its glass is admitted duty free, have 402 been increasing, the plant is running much below capacity. A fourth instance is the match industry, which has a capacity much in excess of the requirements of the home market. This industry is also protected by an embargo on imports but prospects for increasing exports are practically non-existent; European matches are of better quality and have captured the Jordan market, Lebanon produces its own and Iraq is putting up a match factory.

Among the industries in which the greatest expansion is taking place, the cement industry ranks first. After completion of proposed extensions, the combined capacities of the Damascus and Aleppo factories will be about 400,000 tons in 1955 as against 240,000 tons in 1953. It is difficult to estimate Syria's cement requirements in the foreseeable future. In 1953 these amounted to 320,000 tons, of which 120,000 tons were imported, but it is probable that even if the present rate of private urban building is not maintained, some increased demand will result from the construction of public buildings, the creation of new settlements, improvements in rural housing materials, the extension of irrigation and improvements in the road system. Since several Middle Eastern countries have their own cement factories (Lebanon has long had a large cement factory, Jordan has just completed one and Turkey has a number under construction), it is doubtful whether Syria will be able to maintain its small export trade.[4] Although the 1955 total production capacity may somewhat exceed the requirements of the local market, the planned extensions do not seem unreasonable and may even contribute to more efficient operation and lower unit costs.

288 The textile industry is expanding capacity by increasing and moderniz-
402 ing equipment. The existing plant is operating at full or almost full
439 capacity, three working shifts being general in the spinning and weaving
433 factories.

In 1953 and through 1954 several tens of thousand additional spindles, several hundred new automatic looms and numbers of knitting machines were installed and optimistic opinions were expressed as to the usefulness of considerable further extensions. Their justification depends on the development of the home and adjoining markets. Syria is approaching self-sufficiency in cotton textiles and the prospects for exports appear promising only in certain specific brands. Only cotton yarn of the higher counts is imported; exports are insignificant. Imports of cotton cloth are

[4] 1,000 tons in 1952; 24,000 tons in 1953.

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larger, and exceed exports which have been falling off. On the other hand, exports of knitted, cotton and rayon goods and other articles of clothing, garments, underwear and socks exceed imports by far.

It should be kept in mind, however, that the entire cotton textile industry is well protected. Imports of yarn and cloth are subject to rather high import duties: 45% ad valorem (about 33% at the free rate of the Syrian pound); duties on fine cotton yarns are substantially lower. In contrast, rayon and woolen yarns are duty free. Socks and stockings (except those made from woolen yarns), men's shirts and pyjamas for men and women may not be imported. This protection, though helpful to the home market, hampers the export trade, particularly in finished goods. This is especially so of those goods requiring use of imported materials in their production; no adequate tariff rebate is given on foreign materials in the exported finished goods. Syrian shirt manufacturers, for instance, claim that with existing machinery they could easily double their production and compete in the export market but for these unfavorable conditions. Although most of the surrounding countries heavily protect their own textile industries, some of Syria's finished textile goods seem to be in a position to compete on the international market to the extent that the component materials are not burdened with protective duties.

In the dyeing, printing and finishing industry—which for a long time lagged behind—a considerable expansion is still anticipated and seems fully justified. Additional machinery was being installed to make possible a full three shifts.

The worsted and woolen cloth industry is not as well equipped with modern machinery as the cotton textile industry. Although the existing plant operates little below capacity and imports of cloth are rather significant, the industry shows no great inclination to expand. Despite the fact that imported yarn is duty free and imported cloth is subject to a rather high tariff, there is keen foreign competition by Italian cloth in the cheaper ranges, British cloth in the higher class and by second-hand suits from the United States. Complaints were heard that the transport charges on the bulkier imported yarns weigh heavily on the industry in comparison to the cost of transporting imported cloth. This drawback seems difficult to overcome. Exports of woolen yarns and cloth have been running well under 7% by value, of imported yarns and cloth, and in view of the factors mentioned above, no large expansion of exports is to be expected. For recent figures, see Table 1 of the Appendix.

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The manufacture of silk and artificial silk brocade, mainly as a luxury export, employs only a few mechanical looms; hand looms are still in the majority. The existing capacity seems to be adequate to meet the demand which, because of the high price of the goods produced, is bound to be fairly restricted. Trade figures, however, reveal a trend towards increasing exports of the less expensive types of cloth made from cotton or rayon or a combination of both materials. Recent export and import figures are given in the Appendix.

For one of the factories in the new and continuously expanding rubber boots and shoes industry, most of the machinery (except the cutting and sewing machines) was made in small local engineering shops and assembled at the factory by the company's own labor. It is somewhat primitive, although the goods produced are of reasonable quality. The installation of modern foreign machinery would considerably increase production and reduce labor costs. This industry is protected by an embargo and has a small export trade with surrounding countries. Shortage of capital seems to be the main impediment to faster modernization.

Capital

The original capital of most of the larger Syrian industrial enterprises was put up either by a single family or a small partnership and in general the expansion reflected the amount of earnings retained in the firm. Even in the rather exceptional case in which an enterprise was corporate in form (*société anonyme*), it usually maintained in substance a privately owned and privately financed character.

This pattern of organization and growth is equally true of the majority of industrial firms created since 1945, among them the largest in Syria. Some of these began on a large modern scale, requiring both heavy investments and several million £S of original capital for their financing, and although generally incorporated with a certain spreading of stock in some cases, the company much more often was owned or largely controlled by one or a very few persons. This situation reflects the prevailing distribution of wealth, the reluctance to participate in business without control, the unfamiliarity with stock, the lack of a well organized capital market, particularly for equity investments, and last but not least the preference for large and quick returns on savings, for which there were, at least in the

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market, and therefore to go rather far in restricting imports. But eventually, unless this policy is qualified industrial development is bound to slow down. Then new impetus will come only from a shift in emphasis to the second principle and a corresponding revision in government policies. Syrian industry has reached this stage and we have therefore recommended that the policy of protection be modified.

The trend toward integration of the Arab markets, already referred to, has achieved a more liberal exchange of agrarian than of industrial products. This may be explained by the fact that throughout the Middle East the governments are sponsoring local industrial development along rather parallel lines and each in varying degrees wishes to reserve its local markets for its young industries. On the other hand, none has a sufficiently large population or purchasing power to enable it to develop a fully diversified economy of its own. It seems to be in the interest of all that their development should proceed along lines suited to the specific resources of the various countries. Regular consultations between the authorities promoting industrial development in this area would therefore be desirable.

New Industries and Some Promising Lines of Expansion

The mission has not considered it to be its task to make an extensive survey of specific industrialization projects which might be successfully undertaken in Syria in the near future. We have already pointed out there are still branches of industry in which the establishment of additional plants, either by way of expansion of existing factories or construction of new ones, would be feasible.

Since the 1947 Gibb report on Syria, conditions have changed greatly. In the cotton textile industry, the disparity between the spinning and weaving capacity which existed 10 years ago has largely been overcome, although it exists with regard to rayon yarn. Woven and knitted rayon fabric has taken the place of much cotton and woolen fabric in the Middle East and it is probable that this development will continue. In recent years Syria's imports of rayon yarn and rayon fabric have become significant. Yet, particularly with regard to rayon yarn it would seem ill advised to try to substitute local products for imports which now are duty free, by imposing high protective tariffs. On the other hand, further diversification of the textile and apparel industry may be promising. The increasing volume of exports of knitted goods and other articles of clothing clearly

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indicates that in this field Syria has become a competitor in foreign markets. In dyeing, printing and finishing there seems to be need for additional modern plant. It also seems desirable to investigate the possibility of profitable production of jute fabric sacks. Imports of these sacks have rapidly increased in the last few years, reaching a total of nearly 10,000 tons with a value of £S 6 million in 1953. The need for jute sacks would be lessened if bulk transportation and storage facilities were available but even in that event an increase in general agricultural production might make the establishment of a factory for sack production from imported jute fiber or yarn an economic possibility.

Further expansion of the cement industry may well be required. In fact, the government has authorized a new plant for Aleppo which may be transferred to the Jezireh to serve the growing requirement of north-eastern Syria. A cement plant for the Homs-Hama region is also under consideration.

In the footwear industry modern factory production has been introduced only with regard to rubber boots and shoes. An experiment with factory production of leather shoes in Aleppo some years ago met with such opposition from the handicraft trade that it was abandoned. Nevertheless this branch of industry may be one in which the application of modern production methods would be appropriate and generally beneficial.

It seems useful to investigate the economic prospects of paper and paperboard manufacture. In 1953 about 8,000 tons of paper with a value of nearly £S 5 million were imported. This total comprises a large variety of different types of paper but some are imported in such quantity as to suggest the feasibility of specialized production. Straw is plentiful as raw material and in a relatively short period more poplar wood could become available if farmers and village communities gave increased attention to tree planting.

The production of metal from scrap and the gradual development of an engineering industry may also be contemplated. The manufacture of simple pumps and engines as well as spare parts is already being carried out by many small shops but the quality of the output suffers from inadequate technical supervision. An adequately equipped and staffed plant might be able to undertake the production of these items as well as the improved types of agricultural implements to be developed for use on farms.

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Textiles

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The entire output of yarn is spun in the large factories but almost half the cloth produced is woven on hand looms.[2] It is estimated that on a basis of 1.3 KWH per kilogram for spinning and 1.0 KWH per kilogram for weaving, the total power requirements of mechanized textile plants approximate 21.1 million KWH annually.

Most of the large factories (with one important exception) generate their own power from their total installed capacities of 2,200 KW in Damascus and 2,500 KW in Aleppo. This is more than adequate for the demands of the larger spinning and weaving factories, estimated at 15.8 million KWH, though some plants do in fact purchase some power—to the extent of about 2.6 million KWH—from the public utilities network. On the assumption that the power used by the small factories is drawn wholly from municipal supplies, the total power consumption of 21.1 million KWH for textile spinning and weaving is furnished by private plants to the extent of 13.2 million KWH, and by the public utilities to the extent of 7.9 million KWH. The 6.6 thousand tons of cloth at present woven on hand looms may be regarded as a potential power demand for 6.6 million KWH from the public utilities, giving an aggregate potential demand by textiles for a minimum of 27.7 million KWH, of which 14.5 million KWH would be supplied by the public utilities.

It is expected that the textile industry will continue to expand, though possibly at a slower rate, requiring about 2 million additional KWH by 1960.

Ginning

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In 1953 about 50,000 tons of lint were produced and ginned in Syria. With an average power consumption of 100 KWH per ton of cotton ginned and baled, this would require about 5 million KWH.

Four-fifths of the gins are located in Aleppo, the remainder being in Homs, Idlib, Latakia and Damascus. The most important ginning factory in Aleppo has its own power plant with a capacity of 1,500 KW, but the majority of the other plants have recourse to the public network. It can be assumed that about half the total required power is supplied by private plants and half by the public utilities.

[2] 1952 production: yarn, 9,000–10,000 tons; cloth, 14,000–15,000 tons.

3:Royal Institute of International Affairs U-4 (no date)1954 M1 Middle East
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generators and new hydro-electric schemes are planned to increase the output. The Belgian company operating the tramways and electricity in Damascus and the French electricity company of Aleppo were nationalized in 1951. Consumption of industrial fuel oils has increased greatly since the war and the continuance of this increase shows that Syrian industry is still growing. Under the French Mandate, Syria did not attempt to produce goods for export, but since 1945 some Syrian financiers have tried to build up industries depending for success on overseas sales that have not, however, materialized. Industries based on local needs are likely to be the most successful because the cost of materials and labour are too high for Syria to sell competitively finished goods for which she has to import the raw materials.

The textile industry is the most important, despite a setback in 1950 and 1951 when faced with foreign competition; the industry is well managed and well equipped and employs 20,000 people in Aleppo and Damascus. In 1950 there were about 65,000 spindles for cotton in these two cities, as well as 12,000 handlooms and 3,600 power looms, with an output of 5,000 tons of yarn and 21 million metres of fabric.[1] Silk is woven on hand looms (about 60,000 metres of cloth), but there are mechanical looms for rayon (about 27 million metres) and nylon knitting-machines. Large dye-houses and many small establishments in Damascus and Homs serve the local textile industry. Production of woollen cloth rose to about 542,000 metres in 1948, since when it has declined, although it meets all local needs.

In Homs a Syrian firm has a group of modern plants including a sugar refinery (output 10,000 tons in 1951), an alcohol distillery (363 tons in 1951), and an oil extraction plant. But the refinery depends on imported raw sugar and only protection and a high retail price maintain it, nor is it yet certain that the Homs sugar will compete in price with imported refined sugar even if local beet production, which is being expanded, is used for refining. The cement factory near Damascus was extended in 1951 and now produces about 60,000 tons a year, and a new plant in Aleppo is on the way to producing 70,000 tons a year. There are many oil and soap factories of which the biggest, in Aleppo, can produce thirty tons a day. About 20,000 tons of asphalt, 1,449 million cigarettes, and 69,000 tons of tobacco are also produced near Latakia. Near Damascus

[1] Many of the statistics in this section have been obtained from UN, Dept. of Economic Affairs, *Review of Economic Conditions in the Middle East, 1951–2* and other recent UN Surveys of the Middle East.

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COTTON IN SYRIA

COTTON TEXTILES

Syria has nine small cotton textile mills centered around Aleppo and Damascus, with a total of 55,000 spindles and 2,000 looms and a number of knitting mills and garment factories. A large home industry, which not only weaves but also spins cotton yarn, has, according to trade representatives, a capacity almost as great as that of the commercial mills.

Until a few years ago the industry of Syria was complementary to that of Lebanon. Syria bought yarns from Lebanon and sold cloth there. The two countries together were able to produce about two-thirds of their total needs.[30] Acceding to nationalistic pressure, Syria dissolved the customs union in 1950 and set about not only to install more spindles to balance the weaving capacity, but actually to become self-sufficient in all cotton textiles. A number of mills have bought new equipment for rehabilitation and integration.

Outstanding in this field is the new mill built at Damascus by a group of industrialists known as the "big five." The mill is small in size—only 10,000 spindles and 350 fully automatic looms—but it is a showplace, modern in every detail. The management is especially proud of the modern clinic which provides the workers with free medical attention—a new idea in this part of the world.

This mill has a well-trained engineering and administrative staff and good machinery. To increase efficiency, the management hopes to abandon the range of goods now made and concentrate on the production of only two or three constructions. The level of efficiency is high enough, based on the wage scale of roughly $1.25 per day, to permit the mill to compete on the world market. Approximately 20 per cent of the cloth production is exported.

The other industries are less efficient and are not in a position to compete on the export market.

COTTON CONSUMPTION

In Syria production of yarns was estimated by the government at 5,500 tons in 1951, double what it had been four years earlier and seven-times the output ten years ago. Industry and government figures vary considerably, especially on output of the home industry, but they agree on the same sharp rise in production.

Cotton consumption, computed on the basis of yarn production estimates, is placed at approximately 33,000 bales and is in line with the sharp increase in yarn production.

PROTECTION

As in other Middle East countries, the cotton textile industry receives substantial tariff protection from imports. Syria is a free-money market, and foreign exchange can be bought for any purpose on any street corner. As a result, prices are reported to be going down, as they did in Lebanon when foreign exchange was freed several years ago.

Duties on cotton textiles were changed in 1949 from a specific rate base to an ad valorem base. The duties on most yarns in which the local industry is deficient average about 20 per cent ad valorem; on cotton textiles, about

[30] *Report of the United States-Syria Agricultural Mission*, op. cit., p. 3.

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COTTON IN THE MIDDLE EAST

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—Photo Courtesy of Cotton Trade Journal

All the cotton in the Aleppo region is ginned at this modern ginning center in Aleppo. Large gins (some have 10 saw gin stands) are located or are under construction on each corner of the square. Buildings are elaborate and usually cost about twice as much as the machinery. The grounds are landscaped like a campus.

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inhabited for centuries until a few years ago when farmers from the cities began developing them with mechanical equipment. Large landlords from Aleppo spent millions of dollars installing pumps, building roads, and in other ways developing these lands.

Although occupancy rights have been recognized for years, various government officials with whom the matter was discussed were strong in their views that these newcomers are squatters and should be evicted. They want to distribute the land among the landless peasants. The landlords who have made investments here are just as determined that they will not be evicted. The political strength of the landlords is given generally as the reason for the statement recently made by the head of the government to the effect that the new law will be studied for revision.

While the question of eviction is being debated, the government is proceeding to parcel out other public domains in small units to landless peasants. As this program is expanded, the large landowners are becoming more and more concerned for fear their own properties will be expropriated and subdivided, as has been done in neighboring countries.

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This dispute over the use of public land illustrates the struggle for power going on in Syria today between government bureaucrats and wealthy landlords. The government on one hand is attempting to force changes in all phases of the economy through its various control programs. These changes, however, are strongly resisted by the landowners who prefer to be free from regulations and regimentation. The outcome of this struggle may have a material bearing on the trend in agriculture for the next several years.

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242 tributed a 50 per cent decline in yields to insect damage.

248 In an effort to reduce this damage, the Ministry has employed an Egyptian entomologist and has bought 4,000 tons of insecticides and a large number of tractor-mounted, horse-drawn, and walking dusting units.

[656] The Ministry also has promulgated numerous regulations for controlling insects, calling for mandatory destruction of stalks after harvesting and a host-free period until May 1. All ginning must be completed by the end of April and all the gin trash burned. Planting seed must be sterilized by one of the oil mills through contract with the government. The government also requires all farmers to apply the recommended insecticides. If farmers do not comply, the government applies the poison and charges them for it.

CONTROLS

656 The government has appointed a Cotton Control Board, with head-
647 quarters in Aleppo, charged with the broad responsibility of stabilizing pro-
248 duction. The board is responsible for the enforcement of programs in seed distribution, insect control, crop control, ginning and marketing, and new regulations promulgated recently by the Ministry.

Probably the most significant of these many regulations is one limiting the land which may be planted to cotton. In irrigated areas from 40 to 70 per cent of the crop land may be planted to cotton and in dry-land farming areas, only 25 to 33 per cent. The Aleppo area is limited to 50 per cent of the non-irrigated land. The purposes of this regulation, according to the Director General of Agriculture, are to preserve a balance in agricultural

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Syria's newest cotton mill is an ultra modern integrated plant just completed in Damascus. The level of efficiency here is far above the average and as a result this mill is exporting about 20 per cent of its production.

433 No over-all figures on the increase of capital, output or employment are
472 available, but the following data are indicative. Between 1945 and 1953,
454 inclusive, a total of £S 70.7 million was invested in thirty-seven industrial joint-stock companies; of this £S 53.1 million was invested in 1945 and 1946. 1/ A considerable amount was also invested in unincorporated enterprises. Sales of electricity to industry increased from 15 million kilowatt-hours in 1947 to 28 million in 1951, 36 million in 1953 and 19 million during the first half of 1954. Imports of industrial machinery and equipment amounted to 9,100 tons in 1950, 19,500 in 1951, 10,800 in 1952 and 12,000 tons in 1953, with an aggregate value of £S 200 million. 2/ Table 51 shows available information on the principal Syrian industries.

433 The textile industry is by far the most important, as regards capital
288 invested, employment and value of output. The rapid expansion of cotton growing led to an increase in the number of cotton ginneries, from thirty in 1945 to 110 in 1953. Cotton spinning began in 1933; by 1939 there were 10,000 spindles and by 1954 some 92,000 with a capacity of 12,000 tons of cotton and rayon yarn. Output of cotton yarn rose from 1,700 tons in 1944 to 5,500 in 1950 and 6,600 tons in 1953; that of rayon yarn from 800 in 1950 to 1,200 in 1953; there was a further increase in 1954. Small factories also produce 40 tons of woollen yarn and 16 tons of silk yarn. Mechanical looms increased from 1,500 in 1939 to 5,500 in 1953; there are also 6,000 hand looms. Output of cloth, knitted goods and hosiery is shown in table 51. Dyeing and printing are done in well equipped factories established after the Second World War. The textile industry meets local requirements in most branches and provides an export surplus.

433 Food processing industries form the next most important group. A large-scale
258 sugar refinery started production in 1950, on imported raw sugar; its output rose to 30,000 tons in 1953, of which 23,000 were from imported raw sugar and 7,000 from locally grown beets; output in 1954 was about 38,000 tons. It also produces 1,000 tons of alcohol and some starch glucose as a by-product. The refinery, which fully meets Syria's demand, has not yet reached its full capacity. The vegetable oil industry produces, by means of modern presses established after the war as well as older hand presses, some 7,000 to 12,000 tons of olive oil, about 6,000 to 8,000 tons of cotton-seed oil and some 2,000 to 4,000 tons of other oils. Other important food and beverage industries include the making of biscuits
655 and macaroni, oleomargarine, confectionery and chocolates, and also brewing and canning. The tobacco industry is a State monopoly. 3/

1/ Of the total, £S 25 million was accounted for by six textile companies, 13.4 million by four food processing companies, 10.5 million by three vegetable oil and soap companies, 9.0 million by a cement and building materials company, 8.0 million by a glass and porcelain company, 3.3 million by seventeen electric power companies and 3.5 million by five other companies.

2/ Data from Ministry of National Economy.

3/ The Government took over the tobacco monopoly from a concessionary company in 1951, paying £S 2.5 million as compensation.